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October 23, 2008

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2008 OCT 23 P 3:31

Federal Election Commission  
Office of the General Counsel  
999 E Street, NW  
Washington, D.C. 20463

Re: *Supplement to Complaint against Obama for America, MUR #6090*

Dear Commissioners:

This letter constitutes a supplement to the complaint filed on Monday, October 6, 2008 on behalf of the Republican National Committee ("RNC") against Obama for America ("OFA"). Since filing, the RNC has discovered further information supporting its belief that OFA has violated FECA and the Commission's Regulations by accepting prohibited contributions from foreign nationals and excessive contributions from individuals. The RNC also now believes that OFA has violated FECA and the Commission's Regulations by accepting contributions from unknown entities, accepting contributions resulting from third party fraud, and possibly accepting contributions made in the name of another. Based upon additional press reports from *The New York Times*, *The Washington Post*, *The Los Angeles Times*, *The Associated Press*, and *CBS*, and OFA's own disclosure reports filed with the FEC, the RNC believes OFA has systemic compliance problems. OFA asserts that they have compliance procedures in place to screen illegal and excessive contributions, but that the task is difficult given the volume of contributions and the myriad of small donations they receive. Developing a large donor base and raising enormous sums of money, however, is not an excuse for ignoring the law. OFA should have established compliance procedures to keep pace with its efforts. Accordingly, the RNC asks the Commission to *immediately* conduct a full audit of OFA's receipts in the 2007-2008 Presidential election cycle.

**Obama for America Violated FECA by Accepting Prohibited Contributions from Foreign Nationals**

In August 2008, the *Associated Press* conducted an investigation into allegations that both presidential campaigns were accepting contributions from foreign nationals. See Exhibit H. The *AP* analyzed presidential campaign reports and interviewed 123 foreign

national donors who contributed to a presidential campaign, discovering that the review turned up a smattering of illegal foreign donations to Obama.<sup>1</sup> *Id.* Australian Richard Watters contributed \$1,000 to OFA via the Internet by entering a fake U.S. passport number and checking a box stating that he was a U.S. citizen living abroad.<sup>2</sup> *Id.* Canadian Tom Sanderson contributed \$500 to OFA also via the Internet, including a note in one of the address fields that simply states, "I am not a american citizen!" (*sic*) in addition to providing a Calgary, Canada address *Id.* See also Exhibit I.

According to a *Los Angeles Times* analysis of FEC reports, OFA has collected about \$3.2 million in donations from overseas contributors aggregating more than \$200 and requiring itemization. See Exhibit J. Of that \$3.2 million, approximately \$600,000 was from U.S. military or U.S. territory addresses, leaving at least \$2.6 million in contributions that OFA should have closely examined to verify that they were coming from U.S. citizens living abroad. *Id.* An additional amount of contributions from foreign addresses also exists, but the exact amount is unknown because these smaller contributions are not required to be itemized.

A recent *Newsmax* article theorized that more than 37,000 of OFA's disclosed contributions may be prohibited foreign national contributions because they appear to be conversions of foreign currency. See Exhibit K. *Newsmax* has discovered 37,265 unique donors whose contributions were not rounded up to dollar amounts and finds these contributions suspicious because donors almost always give in whole dollar amounts. *Id.* Ken Bonham, Chairman of the National Legal and Policy Center, told *Newsmax*, "Of course this is odd. They are obviously converting from local currency to U.S. dollars." *Id.* OFA's FEC reports disclose \$6,437,066.07 in itemized, unrounded contributions. *Id.* Under the *Newsmax* theory, that is the amount that appears to have come from foreign credit cards. *Id.*

OFA representatives remarked that they have "bent over backward" trying to root out illegal contributions, but that it is very difficult because of the sheer volume of contributions, most of which are in small increments of \$5 and \$10. See Exhibit L. Accepting a large number of small contributions, however, does not excuse a committee from following the law by taking initiative to actively determine whether a contribution from overseas is prohibited. The examples from the *AP* report, *supra*, illustrate the systemic failure of OFA to properly screen its contributions to ensure compliance with FECA. From the moment it was made, the Sanderson contribution, see Exhibit I, was clear on its face that it was coming from a foreign national. Yet OFA's compliance

<sup>1</sup> The *AP* article primarily focuses on the "smattering of illegal foreign donations to Obama," but also points out that the McCain campaign has mistakenly received foreign contributions. While unknowingly accepting a foreign contribution is a common problem for large committees, accepting them on the scale and frequency that OFA has is not common. The apparent enormity of the problem is what distinguishes OFA's foreign contribution problem from that of every other large committee.

<sup>2</sup> Justifying his decision to contribute to Obama, Watters explained that "[he] could see it wasn't going anywhere unless [he] didn't do that." See Exhibit H. This may be at least part of the reason the Commission has recommended that committees request to see a copy of a valid U.S. Passport – not just the passport number – from contributors who are residing outside of the United States.

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procedures were unable to detect that a contributor explicitly stated, "I am not a american citizen!" (*sic*) and this statement was disclosed on OFA's monthly FEC report. *Id.*

### **Obama for America Violated FECA by Accepting Contributions from Unknown Sources**

Given that OFA was unable to detect a foreign national's contribution when he explicitly stated, "I am not a american citizen!" (*sic*), it is unsurprising that OFA was also unable to detect contributions from unknown sources with blatantly fictitious names. The media has widely documented instances where OFA has accepted contributions from entities whose names are either obviously fictitious or comprised of randomly typed letters. See generally Exhibits J – R.

The now-infamous "Good Will" and "Doodad Pro" were able to give a total of \$17,375 through 1,000 separate contributions and \$19,500 through 786 separate contributions, respectively. See Exhibit A. See also Exhibits M and N. Between these two entities, 1,786 separate contributions were made and OFA was unable to detect either that they involved fictitious names or were coming from unknown sources. Although OFA has refunded the majority of these contributions, as of their September Monthly Report it has not refunded the entire amount. See Exhibit A.

In a front page story, *The New York Times* reported that OFA's FEC reports are littered with contributions from fictitious names and unknown sources. See Exhibit M. *The N.Y. Times* was able to identify contributions from a "Test Person" residing in "Some Place, Utah" and a "Jockim Alberton" residing at a fictional address in Wilmington, Delaware. *Id.* "Derty West" and "Derty Poiuuy," both residing in "rewq, ME" gave a combined total of \$1,110. *Id.* *The N.Y. Times* was unable to find conclusive proof in public records searches that any of the questionable names above belong to real individuals. *Id.* *The Los Angeles Times* discovered a series of contributions from "Mong Kong" totaling \$1,065 and listing a nonexistent city as the address. See Exhibit J. OFA was not aware of the illegality of this contribution until *The L.A. Times* pointed it out. *Id.*

Some of the names disclosed on OFA's FEC reports appear to be comprised of randomly selected letters. OFA has accepted 37 separate donations of \$10 each from "Jgtj Jfggjfgj," see *id.*, \$7,497.59 from "Dahsudhu Hdusahfd,"<sup>3</sup> see Exhibits N and O, and \$11,900 from "Uadhshgu Hduadh,"<sup>4</sup> see Exhibits N and P. *The Washington Post* conducted a " cursory review" of OFA's reports and discovered that "Edrtv Eddty" and "Es Esh" gave \$250 and \$325, respectively, in July 2008. See Exhibit Q. One listed his

<sup>3</sup> OFA's FEC reports disclose negative entries on Schedule A, Line 17(a) for this individual. The negative entries, however, appear to be redesignations and *not* refunds. It is unclear from OFA's reports whether *any* of the money from "Dahsudhu Hdusahfd" has been refunded. See Exhibit O.

<sup>4</sup> This unknown entity contributed a total of \$11,900 on July 16, 2008 and OFA did not begin refunding the money until August 6, 2008 – three full weeks after OFA received the contributions. As of its September Monthly Report, OFA still has not refunded all of "Uadhshgu Hduadh's" contributions. See Exhibit P.

address as "fhdfhdfh, Erial, NJ" and the other listed his occupation and employer as "Peiuyttrewe / Qwertyaio." *Id.*

As *The N.Y. Times* points out, the explanation behind the fictitious names is unknown. Although a few of these contributors may have used fictitious names in order to remain anonymous, the RNC believes that many of them may have been using fictitious names to skirt the law. "Good Will," "Doodad Pro," "Dahsudhu Hdusahfd," and "Uadhshgu Hduadh," all contributed far more than the \$4,300 legal limit. The latter two fictitious individuals made their contributions on the same day and used very similar keystroke patterns for their names, addresses, occupations, and employers, which suggests that the same entity may be responsible for both sets of contributions. The responsible entity may be an individual, foreign national, labor organization, or corporation.

Not only has OFA accepted contributions from unknown sources, but it also may have accepted contributions made in the name of another. A *Newsmax* investigation reports the existence of a growing trend to purchase disposable "gift" credit cards to make donations. See Exhibit R. These "gift" credit cards can only be tracked by their numbers, so there is no way of knowing who made the contribution. *Id.* A *Newsmax* informant stated that he made a series of \$5 contributions to OFA using one of these "gift" credit cards. *Id.* Each time he made a contribution, he used a different name and address, all of which were obviously fictitious and some even including foreign addresses. *Id.*

The public – and the Commission – has no way of knowing the source of these possibly illegal contributions because OFA has failed to take the initiative to determine the legitimacy and source. With no screening procedure in place to verify actual names, it appears quite easy – and quite possible – that by accepting contributions from these unknown sources, OFA may also have accepted contributions made in the name of another.

#### **Obama for America Appears to Have No Control Mechanism in Place to Catch Contributions Resulting from Third Party Fraud**

Media reports indicate that both personal and corporate credit cards are being charged with unauthorized contributions to OFA. Ms. Patricia Phillips, a Virginia resident and candidate for State Senate, discovered a \$5 charge on her *corporate* credit card statement to OFA. See Exhibits S and T. Ms. Phillips's situation is troublesome for two primary reasons. First, OFA accepted a contribution from a *corporate* credit card. Second, OFA accepted a contribution that was fraudulently made. Although it may be difficult for a large-scale committee to detect contributions resulting from third party fraud, it should not be difficult for it to detect that a contribution was coming from a corporation -- In this case, "Phillips Resources." *Id.*

*The Washington Post* recently wrote about Ms. Phillips's fraudulently charged contribution and also that of a Missouri couple. See Exhibit L. Steve and Rachel

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Larman, also Republicans, noticed a \$2,300 contribution to OFA on their credit card statement. See Exhibits L and U. The couple immediately notified their credit card bank to report to fraudulent charge and it was removed. See Exhibit U. The Larmons went public about the fraudulent donation because they were worried this was happening to others without them noticing and wanted to get the word out. *Id.* Again, detecting third party fraud is difficult, but a few instances may be prevented if OFA had more thoroughly compared credit card information with the information disclosed when making the contribution.

### **The Commission Should Investigate All of Obama for America's Contributions from Individuals**

In the age of Internet fundraising, it is understandably more difficult to screen contributions than it was in previous Presidential election cycles. Given its record-breaking fundraising, this may be especially true for OFA. Technological advancement and record-breaking fundraising, however, do not excuse OFA from complying with the law. Evidence exists that OFA has not consistently used all of the available security features for its fundraising website, allowing contributors to donate so long as they had a valid credit card number. See Exhibit R. For example, online merchants usually match the cardholder's provided name and address to the credit card number to protect against fraud. *Id.* Given the high number of fictitious contributor names linked to credit card contributions, OFA appears not to be consistently following this practice. The same technology used to revolutionize its fundraising should also be used to ensure compliance with the law and to protect donors.

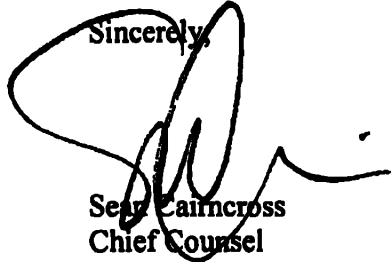
While seemingly minor independently, the examples discussed in the RNC's original complaint and in this supplement aggregate to form a clear picture: OFA has systemic compliance problems within its fundraising operation. These examples illustrate that OFA's primary concern is collecting money; compliance with the law is an afterthought. Had someone within OFA read – or even skimmed – all of the contributor information, surely they would have detected the fictitious names or contributions from corporations. The fact that these contributions went undetected until either the FEC or the media pointed them out suggests that OFA has no effective screening process to ensure that contributions it accepts comply with the law.

Perhaps most troubling is that these examples were found only among the contributions that OFA is legally required to itemize and report to the FEC. Given that OFA did not accept public funding and is not subject to a mandatory post-election cycle audit, the sources of approximately \$270 million in contributions from individuals will remain unknown. The RNC believes that widespread illegalities may exist among these unitemized contributions and requests that the Commission immediately investigate both itemized and unitemized contributions in both the OFA primary and general election periods to ensure a fair and open election. The American people deserve to know the origin of the over \$600 million that may help elect a President of the United States.

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Accordingly, the RNC respectfully renews its request that the Commission conduct an immediate investigation into the violations outlined above, conduct a full audit of OFA's receipts in the 2007-2008 Presidential election cycle, and impose the maximum penalty under law.

The above is correct and accurate to the best of my knowledge, information, and belief.

Sincerely,  
  
Sean Cairncross  
Chief Counsel  
Republican National Committee

Sworn and subscribed to in Washington, D.C. on October 23rd 2008.

Diana K. Leo  
Notary Public

Diana K. Leo  
Notary Public, District of Columbia  
My Commission Expires 5/14/2013

My commission expires: 5/14/2013

District of Columbia: 88

Subscribed and Sworn to before me,

this 23rd day of October, 2008

Diana K. Leo  
Diana K. Leo, Notary Public, D.C.  
My commission expires May 14, 2013

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EXHIBIT A

Newsmax.com

## Secret, Foreign Money Floods Into Obama Campaign

Monday, September 29, 2008 9:23 PM

By: Kenneth R. Timmerman

More than half of the whopping \$426.9 million Barack Obama has raised has come from small donors whose names the Obama campaign won't disclose.

And questions have arisen about millions more in foreign donations the Obama campaign has received that apparently have not been vetted as legitimate.

Obama has raised nearly twice that of John McCain's campaign, according to new campaign finance report.

But because of Obama's high expenses during the hotly contested Democratic primary season and an early decision to forgo public campaign money and the spending limits it imposes, all that cash has not translated into a financial advantage — at least, not yet.

The Obama campaign and the Democratic National Committee began September with \$95 million in cash, according to reports filed with the Federal Election Commission (FEC).

The McCain camp and the Republican National Committee had \$94 million, because of an influx of \$84 million in public money.

But Obama easily could outpace McCain by \$50 million to \$100 million or more in new donations before Election Day, thanks to a legion of small contributors whose names and addresses have been kept secret.

Unlike the McCain campaign, which has made its complete donor database available online, the Obama campaign has not identified donors for nearly half the amount he has raised, according to the Center for Responsive Politics (CRP).

Federal law does not require the campaigns to identify donors who give less than \$200 during the election cycle. However, it does require that campaigns calculate running totals for each donor and report them once they go beyond the \$200 mark.

Surprisingly, the great majority of Obama donors never break the \$200 threshold.

"Contributions that come under \$200 aggregated per person are not listed," said Bob Biersack, a spokesman for the FEC. "They don't appear anywhere, so there's no way of knowing who they are."

The FEC breakdown of the Obama campaign has identified a staggering \$222.7 million as coming from contributions of \$200 or less. Only \$39.6 million of that amount comes from donors the Obama



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campaign has identified.

It is the largest pool of unidentified money that has ever flooded into the U.S. election system, before or after the McCain-Palin campaign finance reforms of 2002.

Biersack would not comment on whether the FEC was investigating the huge amount of cash that has come into Obama's coffers with no public reporting.

But Massie Ritsch, a spokesman for CRP, a campaign-finance watchdog group, dismissed the scale of the unreported money.

"We feel comfortable that it isn't the \$20 donations that are corrupting a campaign," he told Newsmax.

But those small donations have added up to more than \$200 million, all of it from unknown and unreported donors.

Ritsch acknowledges that there is skepticism about all the unreported money, especially in the Obama campaign coffers.

"We and seven other watchdog groups asked both campaigns for more information on small donors," he said. "The Obama campaign never responded," whereas the McCain campaign "makes all its donor information, including the small donors, available online."

The rise of the Internet as a campaign funding tool raises new questions about the adequacy of FEC requirements on disclosure. In pre-Internet fundraising, almost all political donations, even small ones, were made by bank check, leaving a paper trail and limiting the amount of fraud.

But credit cards used to make donations on the Internet have allowed for far more abuse.

"While FEC practice is to do a post-election review of all presidential campaigns, given their sluggish metabolism, results can take three or four years," said Ken Boehm, the chairman of the conservative National Legal and Policy Center.

Already, the FEC has noted unusual patterns in Obama campaign donations among donors who have been disclosed because they have gone beyond the \$200 minimum.

### **FEC and Mr. Doodad Pro**

When FEC auditors have questions about contributions, they send letters to the campaign's finance committee requesting additional information, such as the complete address or employment status of the donor.

Many of the FEC letters that Newsmax reviewed instructed the Obama campaign to "redesignate" contributions in excess of the finance limits.

Under campaign finance laws, an individual can donate \$2,300 to a candidate for federal office in both the primary and general election, for a total of \$4,600. If a donor has topped the limit in the primary, the campaign can "redesignate" the contribution to the general election on its books.

In a letter dated June 25, 2008, the FEC asked the Obama campaign to verify a series of \$25 donations



from a contributor identified as "Will, Good" from Austin, Texas.

Mr. Good Will listed his employer as "Loving" and his profession as "You."

A Newsmax analysis of the 1.4 million individual contributions in the latest master file for the Obama campaign discovered 1,000 separate entries for Mr. Good Will, most of them for \$25.

In total, Mr. Good Will gave \$17,375.

Following this and subsequent FEC requests, campaign records show that 330 contributions from Mr. Good Will were credited back to a credit card. But the most recent report, filed on Sept. 20, showed a net cumulative balance of \$8,950 — still well over the \$4,600 limit.

There can be no doubt that the Obama campaign noticed these contributions, since Obama's Sept. 20 report specified that Good Will's cumulative contributions since the beginning of the campaign were \$9,375.

In an e-mailed response to a query from Newsmax, Obama campaign spokesman Ben LaBolt pledged that the campaign would return the donations. But given the slowness with which the campaign has responded to earlier FEC queries, there's no guarantee that the money will be returned before the Nov. 4 election.

Similarly, a donor identified as "Pro, Doodad," from "Nantio, NY," gave \$19,500 in 786 separate donations, most of them for \$25. For most of these donations, Mr. Doodad Pro listed his employer as "Loving" and his profession as "You," just as Good Will had done.

But in some of them, he didn't even go this far, apparently picking letters at random to fill in the blanks on the credit card donation form. In these cases, he said he was employed by "VCX" and that his profession was "VCVC."

Following FEC requests, the Obama campaign began refunding money to Doodad Pro in February 2008. In all, about \$8,425 was charged back to a credit card. But that still left a net total of \$11,165 as of Sept. 20, way over the individual limit of \$4,600.

Here again, LaBolt pledged that the contributions would be returned but gave no date.

In February, after just 93 donations, Doodad Pro had already gone over the \$2,300 limit for the primary. He was over the \$4,600 limit for the general election one month later.

In response to FEC complaints, the Obama campaign began refunding money to Doodad Pro even before he reached these limits. But his credit card was the gift that kept on giving. His most recent un-refunded contributions were on July 7, when he made 14 separate donations, apparently by credit card, of \$25 each.

Just as with Mr. Good Will, there can be no doubt that the Obama campaign noticed the contributions, since its Sept. 20 report specified that Doodad's cumulative contributions since the beginning of the campaign were \$10,965.

#### Foreign Donations

And then there are the overseas donations — at least, the ones that we know about.

The FEC has compiled a separate database of potentially questionable overseas donations that contains more than 11,500 contributions totaling \$33.8 million. More than 520 listed their "state" as "IR," often an abbreviation for Iran. Another 63 listed it as "UK," the United Kingdom.

More than 1,400 of the overseas entries clearly were U.S. diplomats or military personnel, who gave an APO address overseas. Their total contributions came to just \$201,680.

But others came from places as far afield as Abu Dhabi, Addis Ababa, Beijing, Fallujah, Florence, Italy, and a wide selection of towns and cities in France.

Until recently, the Obama Web site allowed a contributor to select the country where he resided from the entire membership of the United Nations, including such friendly places as North Korea and the Islamic Republic of Iran.

Unlike McCain's or Sen. Hillary Clinton's online donation pages, the Obama site did not ask for proof of citizenship until just recently. Clinton's presidential campaign required U.S. citizens living abroad to actually fax a copy of their passport before a donation would be accepted.

With such lax vetting of foreign contributions, the Obama campaign may have indirectly contributed to questionable fundraising by foreigners.

In July and August, the head of the Nigerian's stock market held a series of pro-Obama fundraisers in Lagos, Nigeria's largest city. The events attracted local Nigerian business owners.

At one event, a table for eight at one fundraising dinner went for \$16,800. Nigerian press reports claimed sponsors raked in an estimated \$900,000.

The sponsors said the fundraisers were held to help Nigerians attend the Democratic convention in Denver. But the Nigerian press expressed skepticism of that claim, and the Nigerian public anti-fraud commission is now investigating the matter.

Concerns about foreign fundraising have been raised by other anecdotal accounts of illegal activities.

In June, Libyan leader Moammar Gadhafi gave a public speech praising Obama, claiming foreign nationals were donating to his campaign.

"All the people in the Arab and Islamic world and in Africa applauded this man," the Libyan leader said. "They welcomed him and prayed for him and for his success, and they may have even been involved in legitimate contribution campaigns to enable him to win the American presidency..."

Though Gadhafi asserted that fundraising from Arab and African nations were "legitimate," the fact is that U.S. federal law bans any foreigner from donating to a U.S. election campaign.

The rise of the Internet and use of credit cards have made it easier for foreign nationals to donate to American campaigns, especially if they claim their donation is less than \$200.

Campaign spokesman LaBolt cited several measures that the campaign has adopted to "root out fraud," including a requirement that anyone attending an Obama fundraising event overseas present a valid U.S.

passport, and a new requirement that overseas contributors must provide a passport number when donating online.

One new measure that might not appear obvious at first could be frustrating to foreigners wanting to buy campaign paraphernalia such as T-shirts or bumper stickers through the online store.

In response to an investigation conducted by blogger Pamela Geller, who runs the blog Atlas Shrugs, the Obama campaign has locked down the store.

Geller first revealed on July 31 that donors from the Gaza strip had contributed \$33,000 to the Obama campaign through bulk purchases of T-shirts they had shipped to Gaza.

The online campaign store allows buyers to complete their purchases by making an additional donation to the Obama campaign.

A pair of Palestinian brothers named Hosam and Monir Edwan contributed more than \$31,300 to the Obama campaign in October and November 2007, FEC records show.

Their largesse attracted the attention of the FEC almost immediately. In an April 15, 2008, report that examined the Obama campaign's year-end figures for 2007, the FEC asked that some of these contributions be reassigned.

The Obama camp complied sluggishly, prompting a more detailed admonishment from the FEC on July 30.

The Edwan brothers listed their address as "GA," as in Georgia, although they entered "Gaza" or "Rafah Refugee camp" as their city of residence on most of the online contribution forms.

According to the Obama campaign, they wrongly identified themselves as U.S. citizens, via a voluntary check-off box at the time the donations were made.

Many of the Edwan brothers' contributions have been purged from the FEC database, but they still can be found in archived versions available for CRP and other watchdog groups.

The latest Obama campaign filing shows that \$891.11 still has not been refunded to the Edwan brothers, despite repeated FEC warnings and campaign claims that all the money was refunded in December.

A Newsmax review of the Obama campaign finance filings found that the FEC had asked for the redesignation or refund of 53,828 donations, totaling just under \$30 million.

But none involves the donors who never appear in the Obama campaign reports, which the CRP estimates at nearly half the \$426.8 million the Obama campaign has raised to date.

Many of the small donors participated in online "matching" programs, which allows them to hook up with other Obama supporters and eventually share e-mail addresses and blogs.

The Obama Web site described the matching contribution program as similar to a public radio fundraising drive.

"Our goal is to bring 50,000 new donors into our movement by Friday at midnight," campaign manager

David Plouffe e-mailed supporters on Sept. 15. "And if you make your first online donation today, your gift will go twice as far. A previous donor has promised to match every dollar you donate."

FEC spokesman Biersack said he was unfamiliar with the matching donation drive. But he said that if donations from another donor were going to be reassigned to a new donor, as the campaign suggested, "the two people must agree" to do so.

This type of matching drive probably would be legal as long as the matching donor had not exceeded the \$2,300 per-election limit, he said.

Obama campaign spokesman LaBolt said, "We have more than 2.5 million donors overall, hundreds of thousands of which have participated in this program."

Until now, the names of those donors and where they live have remained anonymous — and the federal watchdog agency in charge of ensuring that the presidential campaigns play by the same rules has no tools to find out.

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## AP IMPACT: Campaigns take cash, seek details later

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Enlarge by Rob Quinn, AP

AP and Western sources in the global network in Sydney, Australia, Tuesday, July 29, 2008, looking through a camera lens at a computer screen. The screen shows a list of names and addresses of U.S. citizens who have contributed to the campaign of U.S. president Barack Obama. The list includes names like "Barack Obama" and "Michelle Obama". The image is a close-up of a person's face, possibly Barack Obama, looking down or to the side. The image is somewhat blurry and has a high-contrast, grainy quality.

By Sharon Thelmer And Troy Thibodeaux, Associated Press Writers

WASHINGTON — Neither Barack Obama nor John McCain has consistently followed the government's instructions for keeping prohibited foreign money out of their presidential campaigns, and some of that banned money has slipped into Obama's campaign.

During its review of 123 donors in 11 countries, the Associated Press found contributions Obama accepted from at least three foreigners. Among the donors checked, three for Obama and two for McCain, said the campaign asked to see copies of their current U.S. passports — as instructed by the Federal Election Commission to avoid legal problems.

Obama's campaign said it would refund the money to the foreign donors the AP identified.

One donor, Tom Sanderson of Canada, made clear his \$500 contribution came from a foreign source. He included a note that said, "I am not a American citizen." Obama's campaign took the money anyway, even planning Sanderson's extraordinary statement about his citizenship in its official finance reports.

Democratic hopeful Obama and Republican rival McCain portray themselves as meticulously abiding by campaign finance laws. But the fundraising review of hundreds of thousands of donations — involving AP bureaus around the globe — found clear evidence that both campaigns took money first and asked questions later. If over, shining a light on a weakness in the nation's campaign finance laws, the review turned up a smattering of illegal foreign donations to Obama as well as missing details from both Obama and McCain in federal paperwork the law requires.

FIND MORE STORIES IN: United States | Internet | Internet | Germany | France | Barack Obama | Australia | Israel | Italy | Spain | Netherlands | Switzerland | John McCain | Hong Kong | South Africa | Sydney | Calgary | Federal Election Commission | Brian Rogers | Ben LaBolt | Writers

Only American citizens or green card holders are legally permitted to give campaign money, a longtime ban intended to protect U.S. elections from foreign meddling and influence. The Federal Election Commission insists that candidates ask to see an overseas donor's current U.S. passport, considered the strongest safeguard against illegal foreign money. Screening donors can be a daunting task in a presidential race, especially one with record sums and millions of dollars coming in over the Internet.

Obama has raised at least \$2 million abroad, far more than McCain's total of at least \$300,000, according to the AP's review of campaign finance records. The amount reported flowing in from outside the U.S. is a small percentage of the roughly \$300 million raised so far by Obama and the \$167 million by McCain. But few contributors contacted by the AP said the campaign asked to see their passports.

"I donated to the Obama campaign because I was so excited and thrilled to hear him speak," said Sanderson, a property manager in Calgary. "I like what he says and I like what he represents, and it's a world stage today for any political leader."

Sanderson said he doesn't remember checking a box certifying he was a U.S. citizen, but he said he was told to do so. After the AP contacted Sanderson by phone, he asked the campaign for a refund. "It was an error of mine to give the donation, and it was an error that it was accepted," he said.

A spokesman for Obama, Ben LaBolt, said campaign workers "consistently review our procedures to make sure that we are taking every reasonable step to ensure that the contributions we receive are appropriate and follow FEC guidelines, and we will do so again in light of this new information."

McCain's campaign said it was impractical to ask Internet contributors for copies of their passports. "We're always looking for ways to best comply with all provisions of campaign finance regulations, and naturally take a very active role in any way to ensure that we are following the law," spokesman Brian Rogers said.

The AP analyzed 1.27 million campaign contributions to Obama and McCain to identify 6,948 contributions from people who appeared to live outside the United States and who were not obviously in the U.S. military. The AP contacted 123 donors in Australia, Canada, France, Germany, Hong Kong, Israel, Italy, the Netherlands, South Africa, Spain and Switzerland and interviewed them about their citizenship and donations.

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Obama has far more overseas donors than McCain, and that was reflected in the number of interviews: the AP was able to reach 116 Obama supporters, six McCain backers and one donor who gave to both.

Australian Richard Walters gave Obama's campaign \$1,000 over the Internet, entering a fake U.S. passport number -- a random jumble of numbers and letters -- so the site would take his money. He said he also checked a box stating that he was an American being overseas, "because I could see it wasn't going anywhere, so I didn't do that."

Walters was surprised when a reporter told him it was illegal for foreigners to donate to U.S. presidential campaigns, but he said he was still glad he gave.

"I wouldn't give up, because I believe in the man -- I really do," said Walters, 78, of Sydney, a stock market trader. "Maybe I just feel he can put a smile back on the face of the world."

Swiss citizen Office Minschwe gave Obama at least \$250 and reusable campaign souvenirs. He said the campaign didn't ask whether he was a U.S. citizen.

Just 100,000 votes to Obama and two for McCain make the AP the campaign asked to see their passports. One Obama donor, in France, was asked to show her U.S. driver's license at a fundraising event. Others said if they did anything, they checked a box on the campaign's Web sites affirming they were U.S. citizens or were asked to provide their passport numbers, or both.

A spokesman for the FEC, Bob Blumack, said it was prudent for the campaigns to ask online donors to check a box confirming they are U.S. citizens, but obtaining copies of U.S. passports from overseas donors is the only protection against voter fraud.

In dozens of instances, if the AP could not determine whether donors had foreign addresses, the campaigns were missing from campaign finance reports. Other key information also was missing. McCain and Obama each omitted information identifying the employers for at least 10,000 contributions in their most recent donor data. In most cases, the campaigns appear to have asked supporters to provide those details.

The ramifications of accepting foreign money can vary from political embarrassment to federal investigations: The last major foreign money scandal, a 1996 Democratic case involving Asian money and the Clinton-Bore re-election effort, resulted in record FEC fines totaling \$710,000 and probation for some of those involved.

Sometimes the foreign connection comes from who collects the money rather than who donates it. McCain's campaign announced this month it will return \$50,000 solicited by a business and business partner of a McCain volunteer fundraiser in Florida.

The candidates are supposed to disclose detailed information about donors who give \$200 or more, including their addresses, employers and occupations. At a minimum, if donors give more than \$50, the candidates are expected to record their names.

No donor names appeared in Obama's campaign finance reports for a handful of donations over \$50. In dozens of cases, there were names but no addresses. "Anonymous," "999 Anonymous Street," "X" or "Info Requested" are listed for example 200 donations to McCain.

The requirement to include employers is intended to let the public and news media see who is giving and help identify favors that donors or their employers may receive.

The FEC expects campaigns to follow up with donors to seek missing information, but they do not have to try very hard. One attempt, such as a postcard sent to the contributor's address, is considered due diligence under fundraising rules.

In Canada, Sanderson told a message with Obama's campaign and sent an e-mail stating his donation was illegal. He said he hoped his contribution wouldn't "mislead" justices. Sanderson considered a mischievous move to neutralize the political value his donation might have, but in the end, just asked for a refund.

"I was going to donate to McCain last night," he said, "and my wife talked me out of it."

Associated Press writers Anrica Deb in Amsterdam, Netherlands; Jorge Sainz in Madrid, Spain; Matt Moore in Berlin; Eliane Engeler and Alexander Higgins in Geneva; Min Lee, Jeremiah Marquez and Dicky Sinn in Hong Kong; Steve Weisman in Jerusalem; Devon Haynie in Johannesburg, South Africa; Gaelle Faure and Elaine Garley in Paris; Maria Falconi in Rome; Kristin Gallenau in Sydney, Australia; Rob Gilles in Toronto; and Stephanie Quam, Ann Ranner and Christine Sauer in Washington contributed to this report.

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EXHIBIT I

**SCHEDULE A (FEC Form 3P)  
ITEMIZED RECEIPTS**Use separate schedule(s)  
for each category of the  
Detailed Summary Page

FOR LINE NUMBER: PAGE 3221 / 54322

16	<input checked="" type="checkbox"/>	17a	<input type="checkbox"/>	17b	<input type="checkbox"/>	17c	<input type="checkbox"/>	17d	<input type="checkbox"/>	18
16a	<input type="checkbox"/>	16b	<input type="checkbox"/>	20a	<input type="checkbox"/>	20b	<input type="checkbox"/>	20c	<input type="checkbox"/>	21

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NAME OF COMMITTEE (in Full)

Committee for America

A. <b>Full Name (Last, First, Middle Initial)</b> <u>Sandra S. Sanders</u>		<b>Date of Receipt</b> 04 / 27 / 2008	
<b>Mailing Address</b> 300 E. 83rd St City: <u>New York</u> State: <u>NY</u> Zip Code: <u>10128</u>		<b>Amount of Each Receipt This Period</b> 25.00	
<b>FEC ID number of contributing federal political committee.</b> C00431445			
<b>Name of Employer</b> Matis Productions Inc		<b>Occupation</b> Arts Administrator	
<b>Receipt For:</b> 2008 X Primary General Other (specify) <input type="checkbox"/>		<b>Election Cycle-to-Date</b> <input type="checkbox"/>	
		250.00	
		<b>Transaction ID:</b> 2771270	
B. <b>Full Name (Last, First, Middle Initial)</b> <u>Sandra S. Sanders</u>		<b>Date of Receipt</b> 04 / 28 / 2008	
<b>Mailing Address</b> PO Box 1300 City: <u>Menlo Park</u> State: <u>CA</u> Zip Code: <u>94028-1300</u>		<b>Amount of Each Receipt This Period</b> 2300.00	
<b>FEC ID number of contributing federal political committee.</b> C00431445			
<b>Name of Employer</b> Not Employed		<b>Occupation</b> Retired	
<b>Receipt For:</b> 2008 X Primary General Other (specify) <input type="checkbox"/>		<b>Election Cycle-to-Date</b> <input type="checkbox"/>	
		2300.00	
		<b>Transaction ID:</b> 2806846	
C. <b>Full Name (Last, First, Middle Initial)</b> <u>Tom Sanderson</u>		<b>Date of Receipt</b> 04 / 09 / 2008	
<b>Mailing Address</b> 2811-16 ave 16 City: <u>Calgary</u> State: <u>NA</u> Zip Code: <u>S9S01</u>		<b>Amount of Each Receipt This Period</b> 500.00	
<b>FEC ID number of contributing federal political committee.</b> C00431445			
<b>Name of Employer</b> Self employed		<b>Occupation</b> Property Management	
<b>Receipt For:</b> 2008 X Primary General Other (specify) <input type="checkbox"/>		<b>Election Cycle-to-Date</b> <input type="checkbox"/>	
		500.00	
		<b>Transaction ID:</b> 2531906	
<b>SUBTOTAL of Receipts This Page (optional)</b>		2825.00	
<b>TOTAL This Period (last page this line number only)</b>			

FEC Schedule A (Form 3P) (Revised 1/2007)

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Los Angeles Times

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<http://www.latimes.com/news/politics/la-na-money9-2008oct09,0,7309027.story>  
From the Los Angeles Times

## Obama's fundraising prowess exposes flaws in law

As the Democratic candidate sets records for donations, his efforts have come under increased scrutiny.

By Dan Morain and Doug Smith  
Los Angeles Times Staff Writers

11:19 PM PDT, October 9, 2008

Barack Obama's money machine is fueled by the likes of Martha Murphy, a grandmother who has donated 104 times for a total of \$2,475.34.

Murphy has used her credit card to donate in amounts as small as \$10. "It is amazing how it adds up," she said.

Obama has revolutionized campaign fundraising, employing the Internet to tap into more donors than any candidate in history. The campaign has reported \$160 million in contributions from donors of \$200 or less, more than a third of the \$458 million raised. But as Obama sets records, his fundraising has come under increased scrutiny.

The Democratic candidate's donors also include "Derty Poluiy," an individual with a scatological sense of humor who has given \$950. "Mong Kong" has contributed \$1,065 and lists an address in a nonexistent city. "Fommi USA" gave \$800 and listed the address of an apparel store of that name near San Francisco.

The Republican National Committee filed a federal complaint this week, alleging that some of Obama's small donations are illegal because they come from foreign nationals or exceed the limit.

Obama's contributions have also exposed a loophole in the law, which does not require disclosure of the identities of donors who give \$200 or less, making it impossible to determine whether they are legitimate without a federal audit.

Lawrence Norton, a former Federal Election Commission general counsel, noted that the law was written when "no one conceived that a candidate could raise millions" in such small amounts. "It certainly is a case where the 1970s law is not in step with current campaign fundraising practices," he said.

Exactly why a donor would use a name like Derty Poluiy is not clear. "It's part of phenomenon that we've never seen before," FEC spokesman Bob Biersack said. People who make up names when donating to federal candidates violate laws against making false statements, but Biersack could not recall anyone being prosecuted for such a crime.

Biersack said the FEC cannot conduct an audit unless there are significant questions about a candidate's fundraising. "Odd names by themselves aren't enough. A lot of people have odd names," Biersack said. "I have certain sympathy for that."

Obama has returned money to Poluiy, Fommi and many others. It will return Kong's donation after The Times brought the name to the campaign's attention.

"Every campaign faces the challenge of screening and reviewing its contributions," Obama spokesman Ben LaBolt said in a statement. "We have been aggressive about taking every available step to make sure our contributions are appropriate."

LaBolt noted that John McCain has taken bogus donations too, including some from people who list their addresses, cities and state -- required information -- as "anonymous."

Obama's campaign has set up screens to try to ensure donors are U.S. citizens. People living abroad must provide a U.S. passport number.

But the RNC, in its complaint to the FEC, charged that the campaign has "knowingly accepted excessive contributions and donations from foreign nationals" and called it "a wide-scale problem."

Obama has received about \$3.2 million in donations of more than \$200 from overseas. Nearly \$600,000 of that sum came from U.S. military addresses or U.S. territories, such as Puerto Rico and Guam, a Times analysis of FEC data found.

Throughout the campaign, Obama has touted his small donors as a sign of his wide appeal. Obama's donors number more than 2.5 million, far more than any previous candidate. Obama estimates the average donation is \$84, far below the maximum \$2,300 that an individual can give both for the primary and for the general election. However, that average is artificially lowered by supporters who contribute multiple times. The Times found that more than 20,000 donors gave at least 10 times, adding up to more than \$200. At least 22 gave more than 100 times. More than 8,600 have donated \$1,000 or more by giving repeatedly during the course of the campaign.

Most serial donors are like Murphy, the Syracuse, N.Y., grandmother, who proudly gives her name. She has been an Obama fan since she watched his widely acclaimed 2004 convention speech. "Something clicked, not in my head but in my gut," she said.

Now, when she has spare money, she clicks her mouse and sends some to Obama. Sometimes \$10; sometimes \$30. She gives when he says something she particularly likes, or when McCain irritates her.

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In interviews, donors told of getting caught up in the psychology of the campaign's online fundraising operation, which encourages donors to match one another.

Kristen A. Roberts, an oyster bartender from Harpswell, Maine, is among the donors who match donations. She has given at least 119 times, adding up to \$1,747.

"People send out e-mails to their friends and relatives and try to get them to donate to their fundraising page," Roberts said. "They're very crafty, the way they set it up."

Donna Skinner of Upper Marlboro, Md., communicates over Obama's website via "O-mail." "We have what we call money bombs. We make donations to each other's fundraisers," Skinner said. She has given at least 258 times and recently the campaign told her she had hit the limit.

Another donor who exceeded the maximum is "Good Will," who contributed \$8,500 and provided an address at a Goodwill store in Austin, Texas. The campaign has returned his money.

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Times researcher Maloy Moore contributed to this report.

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**Newsmax.com**

## **Obama's Secret Campaign Cash: Has \$63 Million Flowed from Foreign Sources?**

Sunday, October 19, 2008 6:28 PM

By: Kenneth R. Timmerman

As Barack Obama reaped a stunning \$150 million in campaign donations in September, bringing his total to more than \$600 million, new questions have arisen about the source of his amazing funding.

By Obama's own admission, more than half of his contributions have come from small donors giving \$200 or less. But unlike John McCain's campaign, Obama won't release the names of these donors.



A Newsmax canvass of disclosed Obama campaign donors shows worrisome anomalies, including outright violations of federal election laws.

For example, Obama has numerous donors who have contributed well over the \$4,600 federal election limit.

Many of these donors have never been contacted by the Obama campaign to refund the excess amounts to them.

And more than 37,000 Obama donations appear to be conversions of foreign currency.

According to a Newsmax analysis of the Obama campaign data before the latest figures were released, potential foreign currency donations could range anywhere from \$12.8 million to a stunning \$63 million in all. With the addition of \$150 million raised in September, this amount could be much more.

When asked by Newsmax about excess contributions, Obama spokesman Ben LaBolt said that contributions already identified as excess had been returned and that those the campaign was just learning about -- either through news accounts or from the Federal Election Commission -- "will be returned."

"Every campaign faces the challenge of screening and reviewing its contributions," LaBolt said. "And we have been aggressive about taking every available step to make sure our contributions are appropriate, updating our systems when necessary."

But many of the donors Newsmax canvassed said they had "never" been contacted by the Obama campaign or seen any refunds, even though their contributions went over the limit months ago.

In all, Newsmax found more than 2,000 donors who had contributed in excess of the \$4,600 limit for individuals per election cycle.

Such donations, if not returned within 60 days, are a clear violation of federal campaign finance laws.

Lisa Handley, a stay-at-home mom from Portland, Ore., recalled giving \$4,600 to the Obama campaign by credit card, contributions she made because "I love Obama," she said.

According to FEC records, however, she gave an additional \$2,300 to the campaign, putting her over the limit.

The Obama campaign reported that it had "redesignated" the excess money, which could mean that it had contributed it to a separate party committee or a joint fundraising committee, which have higher limits.

But if that happened, it's news to Handley. "No one ever contacted me to return any of the money or told me they were redesignating some of the money," she said.

Ronald J. Sharpe Jr., a retired teacher from Rockledge, Fla., appears in the Obama campaign reports as having given a whopping \$13,800.

The campaign reported that it returned \$4,600 to him, making his net contribution of \$9,200 still way over the legal limit.

But there's one problem with the Obama data: Sharpe doesn't remember giving that much money to the Obama campaign in the first place, nor does he recall anyone from the campaign ever contacting him to return money.

"At the end, I was making monthly payments," he told Newsmax. The Obama campaign records do not show any such payments.

Many donors refused to answer questions about the political campaign contributions appearing in their name when they learned that the caller was from a news organization.

John Atkinson, an insurance agent in Burr Ridge, Ill., refused to discuss his contributions, which totaled \$8,724.26, before numerous refunds.

Atkinson and others gave in odd amounts: \$188.67, \$1,542.06, \$876.09, \$388.67, \$282.20, \$195.66, \$118.15, and one rounded contribution of \$2,300.

Sandra Daneshinia, a self-employed caregiver from Los Angeles, made 36 separate contributions, totaling \$7,051.12, according to FEC records. Thirteen of them were eventually refunded.

In a bizarre coincidence, those 13 refunded contributions -- for varying amounts such as \$223.88 and \$201.44 -- added up exactly to \$2,300, the amount an individual may give per federal election.

Also giving in odd amounts was Robert Porter, an accountant for the town of Oviedo, Fla. Porter gave a surprising \$4,786.02 to the Obama campaign.

In all, Newsmax found an astonishing 37,265 unique donors to the Obama campaign whose contributions were not rounded up to dollar amounts. That amounts to more than 10 percent of the total number of unique donors whose names have been disclosed by the Obama campaign to the public.

Of those, 44,410 contributions came in unrounded amounts of less than \$100. FEC regulations only require that campaigns disclose the names of donors who have given a total of \$200 or more, so that means that all these contributors were repeat donors.

Another 15,269 contributions gave in unrounded amounts between \$101 and \$999, while 704 of the unrounded contributions were in amounts of more than \$1,000.

Campaign finance experts find the frequent appearance of unrounded contributions suspicious, since contributors almost invariably give in whole dollar amounts.

One expert in campaign finance irregularities offers a possible explanation.

"Of course this is odd. They are obviously converting from local currency to U.S. dollars," said Ken Boehm, the chairman of the National Legal and Policy Center.

"The overwhelming number of large dollar contributors -- and even small donors -- are in even dollar amounts," he told Newsmax. "Anyone who doubts that can go to FEC.gov and look through the campaign contribution data bases. You will not find many uneven numbers."

Boehm said he had rarely seen unrounded contributions in his 30 years as a lawyer doing campaign finance work.

"There's always the odd cat who wants to round up his checkbook, but they are very rare," he said.

Richard E. Hug, a veteran Republican fundraiser in Maryland who who raised hundreds of thousands of dollars for George W. Bush in 2000 and 2004, and spearheaded the successful 2002 gubernatorial race for Bob Ehrlich that brought in a record \$10 million, told Newsmax that unrounded contributions were extremely unusual.

"I've never seen this in all my years of raising money for political candidates," he said. "The first thing it suggests is foreign currency transactions -- contributions from foreign donors, which is clearly illegal."

Top Republican fundraiser Steve Gordon, who has raised \$65 million for GOP candidates over the past 30 years, told Newsmax that such contributions in uneven amounts would be "pretty unusual."

"You might have a rounding process if there was some kind of joint event, but since all appears to be on the Internet, it's pretty unusual. At the very least, it would need to be explored."

LaBolt attributed the uneven amounts to the online "Obama store," which sells T-shirts and other campaign items.

"Contributions made to the Obama store often produce totals that are not exact dollar amounts," he said.

But the campaign has never produced any accounting for proceeds from its online store, which virtually shut down several weeks ago after Newsmax and news organizations revealed that Palestinians from the Gaza Strip and other foreigners had made large purchases there.

The Republican National Committee has filed a complaint against the Obama campaign for "accepting prohibited contributions from foreign nationals and excessive contributions from individuals," which

incorporated reporting from Newsmax and other news organizations.

"Their responses to FEC inquiries have often been inadequate and late," RNC general counsel Sean Cairncross told Newsmax.

The Obama camp claims to have 2.5 million donors in all. But until now, they have kept secret the names of the overwhelming majority of these money-givers. According to a Newsmax analysis, the Obama campaign finance records contain just 370,448 unique names.

Even accounting for common names such as Robert Taylor or Michael Brown, which can signify multiple donors, Obama's publicly known donor base is less than 20 percent of the total number of donors the campaign claims to have attracted. But the identity of the other 2 million donors is being kept secret.

As of the end of August, those secret donors have given an incredible \$222.7 million to Obama, according to the FEC -- money whose origin remains unknown to anyone other than Obama's finance team, who won't take calls from the press.

While no exact figures are available, if the same percentage of potential foreign contributions found in the itemized contribution data is applied to the total \$426.9 million the Obama camp says it has taken in from individuals, this could mean that Obama is financing his presidential campaign with anywhere from \$13 million to a whopping \$63 million from overseas credit cards or foreign currency purchases.

The sum of all unrounded contributions in the itemized FEC filings for the Obama campaigns comes to \$6,437,066.07. That is the actual amount of money that appears to have been charged to foreign credit cards that the Obama campaign has disclosed.

If the same ratio applies to the unitemized contributions, which are again as large, then the Obama campaign may have taken as much as \$13 million from foreign donors.

However, the donors who made those unrounded contributions gave a total of \$31,484,584.27, meaning that as much as \$63 million may have come from questionable sources.

Both presidential campaigns are required to submit detailed fundraising reports for September on Monday.

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washingtonpost.com

## With Huge Money Advantage, Obama Ramps Up Ads

By Matthew Mosk  
Washington Post Staff Writer  
Wednesday, October 15, 2008; A05

Sen. John McCain stepped into a ballroom at the Grand Hyatt in New York last night for what was likely to be his last fundraiser of the 2008 presidential campaign.

But while the event, which was expected to net \$8 million to \$10 million for the Republican National Committee, will provide a much-needed infusion for the GOP nominee, it will do little to whittle down the massive financial advantage that Sen. Barack Obama is using to dominate the electoral landscape.

Exactly how much money the Democrat has raised will not be clear until next week, when the two campaigns are required to report their September fundraising totals to the Federal Election Commission, although some strategists are openly speculating that he could approach \$100 million for the month. That would shatter a record Obama set in August, when he brought in \$67 million.

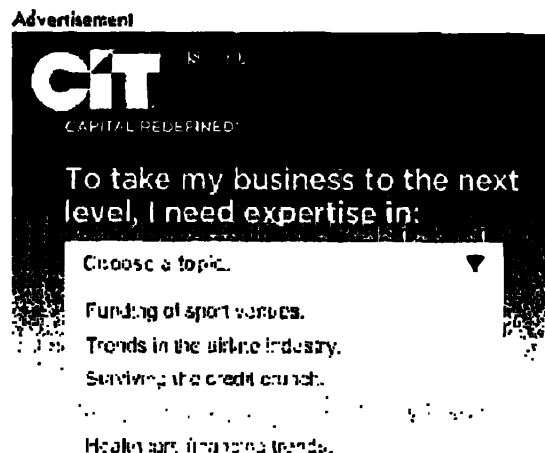
As the first presidential candidate to run a general-election campaign entirely with private donations, Obama is building a significant fundraising advantage and is now using that imbalance to swamp McCain on the airwaves and in building turnout operations coast to coast.

Voters in large swaths of Florida will see Obama television commercials dozens of times before catching sight of a McCain ad. A drive across Virginia will wind past 51 Obama field offices, compared with 19 for McCain. "It's given them resources to compete in multiple battlegrounds in all dimensions -- on the ground, through the mail, with media, everything," Chris Kofinis, a Democratic political strategist, said of Obama's fundraising success. "I think people will look back and say this was one of the most pivotal decisions in his campaign."

Since accepting \$84 million in public funds, McCain has been barred from raising money for his own campaign. He has sought to keep pace with Obama's effort by holding RNC fundraisers like last night's event in New York. The party committee raised \$66 million in September and has begun to expand its presence on television with ads featuring blistering attacks on Obama.

At the same time, the RNC is leading an effort to challenge the legality of millions of dollars in "un-itemized" donations that Obama has collected. Under FEC rules, his campaign does not have to document the names of donors who give less than \$200.

The RNC is keeping a growing list of phony donors and unexplained credit card charges that it believes point to more than a simple inability by the Obama team to keep track of all the money flowing in. Steve and Rachel Larman, a Missouri couple who vote Republican, told local reporters that they found a \$2,300 charge for a donation to the Obama campaign on their credit card statement that they could not explain. Patricia Phillips, a Virginia Republican, had a similar experience, she said, when she opened her



MasterCard statement last month to discover a \$5 charge from the Obama campaign. "I thought, 'Oh, my! This is not from me,'" she said.

Other donations have arrived under such obviously bogus names as Edrty Eddty and Es Esh.

Experts called it a common problem on an uncommon scale -- while there have always been donors who, for a host of reasons, tried to circumvent federal election rules and give campaign contributions without providing their real names, they are more frequent with Obama because of the volume of donations his campaign is processing.

"I'm sure they have a system in place to screen out improper donations," said Scott Thomas, a former FEC chairman. "Their problem is they have such a massive donor base and so many of these coming in that it's hard to keep up."

Obama campaign aides said they have followed a policy of sending immediate refunds to people who contact the campaign to say that they have been charged for a contribution they did not make. "While no organization is protected from Internet fraud, we have taken every available step to root out improper contributions, updating our systems when necessary," said Ben LaBolt, a campaign spokesman.

So far, the complaints have not prompted FEC action. And Obama's controversial decision to forgo public funding and instead raise money on his own is paying huge dividends.

The most noticeable evidence of his spending advantage has been on the airwaves, where, in some states, Obama been running seven or eight times as many commercials as McCain. Evan Tracey, an analyst with the Campaign Media Analysis Group, called the disparity stunning.

"McCain's in a shouting match with a guy holding a bullhorn," Tracey said.

Obama booked nearly \$4 million in ads in Virginia last week, compared with \$487,149 spent there by McCain. He held a similar spending edge in almost every battleground state, Tracey said, enabling him to respond to negative ads by McCain while keeping a regular cycle of positive ads running as well.

Obama has so much money available that he is not planning to push into advertising venues rarely, if ever, visited by political candidates. He has plans for a prime-time infomercial -- the first of its type since Ross Perot used the format 16 years ago. And Advertising Age reported yesterday that an Obama "in-game advertisement" appeared in the EA video game Burnout Paradise. The racing game features a Barack Obama billboard announcing that early voting has begun and references VoteForChange.com, a site paid for by the Obama campaign.

Republican political strategists have acknowledged the Obama advantage, but they argue that if a financial edge is all it takes to win an election, McCain would not be the nominee. (He was massively outspent by former Massachusetts governor Mitt Romney and former New York mayor Rudolph W. Giuliani during the primaries.)

The biggest difficulty for McCain, said Republican political consultant Kevin Madden, is that he has been forced to play defense in states -- such as North Carolina and Indiana -- where he should not be spending money at all at this point.

"The campaign with the money can pin the other campaign down in places where they don't want to be," Madden said.

One result of Obama's decision to opt out of the public financing system is that his campaign accounts will not automatically be subject to an audit after the election, as is standard with campaigns financed from the U.S. Treasury.

Last week, RNC lawyers filed an FEC complaint that they hope will prompt an investigation and audit. The complaint said the RNC believes that the Obama campaign "has accepted prohibited foreign national contributions and knowingly done so through its failure to reasonably investigate contributions originating abroad."

Obama aides dispute this, saying they have bent over backward trying to root out illegal contributions. But that task, they said, has been made difficult by the sheer volume of contributions, many in increments of \$5 and \$10.

The campaign has taken a number of steps to intercept illegal contributions, whether they are from people using fake names or from donors who are not U.S. citizens, Obama aides said. The campaign has initiated procedures to flag questionable contributions and follow up with donors to determine whether those contributions are lawful or should be refunded.

"Every campaign faces the challenge of screening and reviewing its contributions," LaBolt said. "And we have been aggressive about taking every available step to make sure our contributions are appropriate, updating our systems when necessary."

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October 10, 2008

## Fictitious Donors Found in Obama Finance Records

By **MICHAEL LUO** and **GRIFF PALMER**

Last December, someone using the name "Test Person," from "Some Place, UT," made a series of contributions, the largest being \$764, to Senator Barack Obama's presidential campaign totaling \$2,410.07.

Someone identifying himself as "Jnskim Alberton," from 1501 Leroy Avenue in Wilmington, Del., began giving to Mr. Obama last November, contributing \$10 and \$25 at a time for a total of \$445 through the end of February.

The only problem? There is no Leroy Avenue in Wilmington. And Jockim Alberton, who listed his employer and occupation as "Fdsa Fdsa," does not show up in a search of public records.

An analysis of campaign finance records by The New York Times this week found nearly 3,000 donations to Mr. Obama, the Democratic nominee, from more than a dozen people with apparently fictitious donor information. The contributions represent a tiny fraction of the record \$450 million Mr. Obama has raised. But the questionable donations — some donors were listed simply with gibberish for their names — raise concerns about whether the Obama campaign is adequately vetting its unprecedented flood of donors.

It is unclear why someone making a political donation would want to enter a false name. Some perhaps did it for privacy reasons. Another, more ominous possibility, of course, is fraud, perhaps in order to donate beyond the maximum limits.

There is no evidence that questionable contributions amount to anything more than a small portion of Mr. Obama's fund-raising haul. The Times's analysis, conducted over a few days and looking for obvious anomalies, like names or addresses with all consonants, identified about \$40,000 in suspect contributions that had not been refunded by the campaign as of its last filing with the Federal Election Commission, in September.

It appears that campaign finance records for Senator John McCain, the Republican nominee, contain far fewer obviously false names, although he has taken in about \$200 million in contributions, less than half Mr. Obama's total. Mr. McCain did collect about \$173,000 from donors who appear in campaign finance records with only a name and have no other identifying information. Mr. Obama collected about \$314,000 from such donors.

Although campaigns have long wrestled with questionable donations, Sheila Krumholz, executive director of the Center for Responsive Politics, said the record-setting number of new donors Mr. Obama has drawn, many of them online, presents new challenges to a compliance system that remains stuck in the past.

Ms. Krumholz pointed out, however, that it would take an extraordinary amount of coordination to pull off

widespread fraud.

Ben LaBolt, a spokesman for the Obama campaign, highlighted the more than 2.5 million donors it had to wade through. "We have been aggressive about taking every available step," he said, "to make sure our contributions are appropriate, updating our systems when necessary."

But even a contributor who used the name "Jgtj Jfggjfgj," and listed an address of "thjtrj" in "gjtjtjtjtjr, AP," was able to contribute \$370 in a series of \$10 donations in August.

A pair of donors named "Derty West" and "Derty Poliuu," who listed "rewq, ME" as their addresses and "Qwertyyy" or "Qwerttyu" as either their employer or occupation, contributed a combined \$1,110 in July.

In some cases, campaign finance records showed refunds from the Obama campaign, presumably to donors' credit cards, even as other contributions were accepted. Obama officials said most of their vetting occurred after a donation came in.

Officials with campaign finance watchdog groups said that there was no proof of a widespread problem, but that the issue certainly warranted additional scrutiny.

"I think the candidates need to be clearer about the vetting systems they're using and demonstrating they're sufficient to weed out potential fraud," said Stephen Weissman, associate director for policy at the Campaign Finance Institute.

The questionable donations to the Obama campaign, most of which appear to have been given in small increments online, are bolstering the contentions of some campaign finance groups that additional disclosure requirements are needed for contributions of \$200 or less.

Federal candidates are not required to itemize such contributions to the F.E.C. unless the donor's cumulative total adds up to more than \$200. Roughly 70 percent of these contributions to Mr. Obama are not reported, compared with more than 75 percent of Mr. McCain's.

On Monday the Republican National Committee filed a complaint against the Obama campaign with the F.E.C., questioning the legitimacy of the more than \$20 million in small donations to Mr. Obama's campaign.

The complaint followed an article on the conservative Web site Newsmax.com that highlighted thousands of dollars in contributions, made in increments of \$25 dating back to March, from "Good Will" in Austin, Tex., who listed his employer as "Loving" and his occupation as "You," as well as thousands in small contributions that started last November from a "Doodad Pro" in Nunda, N.Y., with the same employer and occupation.

Doodad Pro and Good Will, who made more than 1,000 contributions each and whose totals far exceeded the \$4,600 that individuals can legally give to the primary and general elections, were flagged by the F.E.C. in standard letters regarding excess contributions sent to the Obama campaign. The commission alerted the campaign about Good Will as early as June, giving it 30 days to respond.

The Obama campaign refunded several thousand dollars in contributions to the two donors, even before

receiving the letters from the F.E.C. But its campaign finance filing in September showed it had failed to refund more than \$10,000 in donations from each of them, although Obama officials say all of the money has now been returned.

Even though Good Will made more than \$7,000 in contributions to the Obama campaign in March, and even more after that, Suzanna Burmeister, marketing director at Goodwill Industries of Central Texas, a nonprofit group whose address matches the one listed by the donor, said the organization was not contacted by the campaign until September.

The group was not asked about fraud but instead received several letters informing the donor that he had exceeded his contribution limit for the primary and asking if he wanted to redirect the excess to the general election.

Someone from the group immediately called the Obama campaign, Ms. Burmeister said, and was told it was having "integrity issues" with its online donations. "They must be really backlogged," she said.

The contributions from Doodad Pro shot up to \$11,275 in February alone, of which F.E.C. records show the Obama campaign refunded only \$2,550 initially.

The address listed by Doodad Pro leads to Lloyd & Lynn's Liquor & Wine in Nunda, a town of about 3,000 people.

Lynn Kirwan, one of the store's owners, said they used to share an address with a consignment shop called Doodad's. Several months earlier, she said, the local police contacted the store to ask about some athletic equipment that had been ordered by a Doodad Pro, but she said they had heard nothing from the Obama campaign.

Another donor apparently connected to Good Will and Doodad Pro, "Fornari Usa," listed the same "Loving" and "You" under employer and occupation, and made a series of \$25 donations to Mr. Obama in May, totaling \$1,050.

The address leads to a women's clothing store, Fornari U.S.A., in Milpitas, Calif. Levi Lazo, a sales associate, said she and her manager were mystified by the donations.

"None of us," Ms. Lazo said, "have made any contributions."

*Kitty Bennett contributed reporting from Washington.*

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EXHIBIT N

CBS NEWS

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PRINT

## More Bogus Obama Donors Surface

Oct. 6, 2008

(CBS) CBS News Investigative Producer Laura Strickler wrote this story for CBSNews.com with additional reporting from Sarah Fitzpatrick and Ariel Bash.

CBS News has learned that two donors to the Obama campaign that gave a total of \$7,722 appear to have made their contributions under fake names that look like they were written by a mouse running across a keyboard: Dahsudhu Hduahld of Oahu, Hawaii with the following employer CZXVC/ZXVZXV and Uadhshgu Hduadh listed as living in Dhhf, Florida listed their employer as DASADA/SAFASF.

CBS News did not find any records of these last names, towns or employers anywhere else. Newsweek reported two questionable Obama donors over the weekend named "Doodad Pro" and "Good Will".

Contributions from the two donors Hduahld and Hduadh were made on the same day starting on July 16, 2008. Federal Election Commission (FEC) records show the campaign began refunding the donations as early as August 6, 2008.

Despite numerous refunds from the Obama campaign, Hduahld still has a record of giving a total of \$7500 to Obama which is well over the legal limit for the primary and general election of \$4600. Hduadh gave \$14,200 but the Obama campaign returned all but \$222.00.

The Obama campaign says "out of an abundance of caution" all of these donations are in the process of being returned.

Obama spokesperson Bill Burton sent CBS News the following email statement, "We constantly review our donors for any issues and while no organization is completely protected from internet fraud, we will continue to review our fundraising procedures to ensure that we are taking every available step to root-out improper contributions." Burton pointed to Harry Sargeant, one of McCain's donors who is now the subject of a Congressional investigation. McCain returned \$50,000 to Sargeant in early August.

The Republican National Committee (RNC) has asked the FEC to look into foreign donations to the Obama campaign. The FEC told CBS News they would not comment on the RNC's complaint.

Other donors who gave over the legal limit to the Obama campaign contacted by CBS News said their money was refunded promptly by the campaign. Of those who spoke to CBS News, it seems their only mistake was that of enthusiasm.

Felicity Nitz, 60, of Brooklyn says she kept on clicking on Obama's online fundraising appeals, "I just kept punching it when I got the emails," she said, "I'm an insane supporter."

Christian Skeem from Chicago says he got a letter back from the campaign with a check, "I couldn't give them more than the limit because they kept sending it back, it wasn't like they weren't on the ball." The reason he gave so much? "Cause I'm a fan," he said.

By Laura Strickler

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## THE GREEN ZONE

# Questions About Online Controls Follow News of Fake Obama Donors

By Matthew Mosk

The number of fake names attached to Sen. Barack Obama's campaign contributions continues to inch up as news outlets and political researchers page through thousands of pages of donor listings.

Turns out, they're not that hard to come by. New discoveries from a cursory review of the listings include Edry Eddy, who donated \$250 in July 2008 and Es Esh, who gave \$325 in July. Esh hailed from this unusual address: "fhdfhdfh, Erial, NJ 08081" Eddy listed his, or perhaps her, employer as "Poiuyitrrewe / Qwertypis" -- the letters, more or less in order, found on the top line of standard computer keyboards.

The Obama campaign gave all the money from questionable donors back. But the series of news reports uncovering fake contributions is raising eyebrows. How could a system that collects contributions not immediately discover such obviously false names?

"Every campaign faces the challenge of screening and reviewing its contributions," Obama spokesman Ben La Bolt said, in response to that question. "John McCain refunded \$1.2 million in contributions during the primaries, some of which was raised by and from foreign nationals -- and we have been aggressive about taking every available step to make sure our contributions are appropriate, updating our systems when necessary."

Campaign finance experts say the notion that someone would donate money under a fake name is not as surprising as it might seem. Some donors don't want to be identified to avoid getting inundated with future requests. Others are pranksters. What has changed is the number of false donors, and that has to do with the dramatic change in the scale of fundraising efforts thanks to the Internet, said Brett Kappel, a Democratic campaign finance lawyer.

"I think it's gotten a lot harder to step," Kappel said. "Both of these campaigns have raised several orders of magnitude more money over the Internet than any previous campaign. The FEC software can't even handle it, their reports are so large."

At the same time, the anonymity and reach of the Internet have increased the opportunity for foreign national to donate to an American presidential candidate, and that possibility has Republicans, in particular, on edge. The RNC has filed a complaint with the Federal Election Commission to review Obama's contributions for evidence of foreign influence.

The Associated Press conducted one of the most comprehensive reviews of foreign donors in August. The news outlet identified 6,948 contributions from people who appeared to live outside the United States and who were not obviously in the U.S. military.

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The AP contacted 123 of those donors -- in Australia, Canada, France, Germany, Hong Kong, Israel, Italy, the Netherlands, South Africa, Spain and Switzerland -- and interviewed them about their citizenship and donations. The review found that Obama's campaign accepted contributions from at least three foreigners.

La Bolt rejects the complaint about possible foreign donors as little more than political mischief, and noted that McCain refunded about \$50,000 in donations solicited by Mustafa Abu Naba'a, a Jordanian national who bundled contributions for McCain in concert with a Florida businessman. "Rather than accepting contributions from PACs and Washington lobbyists like John McCain's campaign, our campaign has been fueled by donations from more than 2.5 million Americans who have contributed more than \$458 million," La Bolt said.

Posted at 6:58 PM ET on Oct 10, 2008 | Category: The Green Zone

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EXHIBIT R

Newsmax.com

## Obama Ignores Credit Card Donation Fraud

Tuesday, October 21, 2008 10:01 PM

By: Kenneth R. Timmerman

What do Bart Simpson, Family Guy, Daffy Duck, King Kong, O.J. Simpson, and Raela Odinga have in common?

All are celebrities; and with the exception of Odinga and O.J. Simpson, they also are fictional characters. And yet, all of them gave money earlier this month to the campaign of Barack Obama, without any apparent effort by the campaign to screen them out as suspect donors.



The Obama fundraising machine may owe its sensational success in part to a relaxation of standard online merchant security practices, which has allowed illegal donations from foreign donors and from unknown individuals using anonymous "gift" cards, industry analysts and a confidential informant tell Newsmax.

An ongoing Newsmax investigation into the Obama campaign's finance reports has exposed multiple instances of campaign finance violations and has been cited in a formal complaint to the Federal Election Commission filed by the Republican National Committee on Oct. 6.

Though many of the known violations include donations in excess of the \$2,300 per election limit on individual contributions and contributions from foreign nationals, the extent of the amount of fraud is hidden because of a loophole in federal election law.

Campaigns are not required to disclose contributors who donate less than \$200 — and Obama's campaign refuses to release their names, addresses, and donation amounts. Obama has collected a staggering \$603.2 million. Most of the money — \$543.3 million — has come from individual contributors, half of it from "small" donors Obama won't disclose.

The Obama campaign has turned a blind eye to the possibility of donor fraud. Reportedly, during the heated primary battle with Hillary Clinton, the Obama campaign "turned off" many of the security features on its online donor page, allowing any person with a valid credit card number to donate using any name or address.

Typically, card merchants require a cardholder's name to match critical personal details, such as an address or, at the least, a ZIP code.

Though in recent months the Obama campaign has tightened up security and restored some of the security features used by merchants to weed out fraud, it still has left open easy ways for potential credit card fraud, including techniques similar to those employed by terrorists and drug traffickers to launder illicit funds.

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For example, on Oct. 14, an individual using the name "O.J. Simpson" participated in Obama's latest small-donor fundraising drive, making a \$5 donation through the campaign's Web site.

Giving a Los Angeles address, he listed his employer as the "State of Nevada" and his occupation as "convict." The donor used a disposable "gift" credit card to make the donation.

The Obama campaign sent O.J. a thank-you note confirming his contribution, and gave him the name of another donor who had agreed to "match" his contribution.

Four minutes earlier, an individual using the name "Raela Odinga" also made a \$5 contribution, using the same credit card.

The real Raela Odinga became prime minister of Kenya in April and has claimed to be a cousin of Obama's through a maternal uncle.

Obama donor "Raela Odinga" listed his address as "2007 Stolen Election Passage" in "Nairobi, KY." This credit card donation raised no alarm bells in the Obama campaign.

A few minutes earlier, "Daffy Duck" gave \$5 to the Obama matching campaign, listing his address as "124 Wacky Way, Beverly Hills, Calif."

But just as with Odinga's address, the "Wacky Way" address failed to raise any alarm bells or security traps on the Obama Web site. Daffy Duck also used the same credit card.

Within the hour, three other new donors gave \$5 to the Obama campaign. They were:

- Bart Simpson, of 333 Heavens Gate, Beverly Hills, Calif.
- Family Guy, of 128 KilltheJews Alley, Gaza, GA.
- King Kong, of 549 Quinn Street, Capitol Heights, Md.

Newsmax learned of these contributions, which were all made on a single \$25 Visa gift card (oddly, the total was \$30), from a source that requested anonymity.

Calling himself "Bart Simpson," the tipster said he had been following the Newsmax investigation of Obama's campaign finance irregularities "with great interest," and believed that some of the small donations were coming from gift cards — "you know, the type of disposable debit card you can pick up at Rite-Aid or just about any supermarket."

**[Editor's Note: See "Obama Campaign Runs Afoul of Finance Rules."]**

"I tried it myself a few days ago," he said. "I'm attaching for you proof of the contributions I made in the names of Daffy Duck, Bart Simpson, Raela Odinga, and Family Guy."

"What this means is that the Obama campaign does no verification of the name of the contributor. With a normal credit card, this wouldn't wor[k], but with these disposable debit cards, no problem!"

"This needs to be exposed," he said.



The tipster attached the confirmation pages from the Obama Web site showing the names of the donors, and in some cases, the names of other Obama donors who had agreed to "match" their contributions.

None of the matching donors' names appears in the Obama campaign's public disclosures to the FEC.

Other donors with clearly fictitious names revealed previously by Newsmax, The Los Angeles Times, and blogger Pamela Geller (Atlas Shrugs) include "Dertey Poiuiy," "Mong Kong," "Fornari USA," and "jkbkj Hbkjb."

Five major companies process the bulk of all credit card transactions made in the United States, industry insiders tell Newsmax. The Obama campaign paid one of them, Chase Paymentech, just over \$2 million to process its online transactions.

"We never disenss our relationships with any of our merchants, or customers we work with," James Wester, a spokesman for Chase Paymentech, told Newsmax.

Newsmax asked whether Chase Paymentech had any security feature that would allow it to identify individuals making contributions using gift cards, but Wester declined to comment.

But other industry analysts, who asked not to be identified by name because of the sensitive nature of the issue, told Newsmax that processors could track gift cards and debit cards "only by the numbers on the cards."

"There are no names associated with these cards, so as a processor, you have no way of knowing who made the transaction," one industry analyst said.

Anyone can go into a supermarket or a Rite-Aid and buy a batch of these cards with cash, so there is no trace of the transaction, he added.

"It's like walk-around money. They could be handing these things out as perks" to newly registered voters or others, "and there's no way of tracing who is using them."

Ken Boehm, a lawyer with 30 years of experience in campaign finance law, said that such contributions were clearly illegal.

"Making a contribution in the name of another person is the only part of federal election law that actually carries a criminal penalty," he told Newsmax. Boehm is the CEO of the National Legal and Policy Center, a conservative think tank in Washington, D.C.

The Obama campaign has paid Synetech Group Inc. of Charlottesville, Va., close to \$2 million to compile all of the campaign contribution data from online contributors, bundlers, telemarketers, campaign events, and direct-mail campaigns, and process it for submission to the FEC.

The sheer scope of the Obama fundraising juggernaut was "never contemplated by the FEC," a company official told Newsmax, asking not to be quoted by name.

"It's a lot of data. You're talking 7 million contributions," he said.

The campaign itself is responsible for screening out fraudulent donors, not Synetech, he said. "I've been doing this for 30 years, and this is as well-managed as any [campaign]. It's just huge. When it's this big,

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any little thing becomes something more than it is."

One of the biggest problems the campaign faces is fraud, he said. "It's a colossal problem. They're paying the campaign with other people's money."

Individuals such as "Doodad Pro" and "Good Will" who made hundreds of contributions to the campaign in excess of the legal limits were not working for the campaign, but for themselves, he insisted.

"It's all fraud. They do it for kicks. Or they're testing the cards. The campaign doesn't want this. Why on earth do they want to have all these messy little transactions? It's a colossal pain."

However, the campaign itself has solicited those "messy little transactions" in numerous e-mails to supporters.

For instance, just days before the Democratic National Convention in Denver, campaign manager David Plouffe sent an e-mail to supporters, asking them to "make a donation of \$5 or more before midnight this Thursday, July 31st, and you could go backstage with Barack."

Since then, the campaign has run several small donation drives, claiming to "match" donations of \$5, \$10, or \$25 with an equal amount for a previous donor.

Newsmax put a series of questions to the Obama campaign more than a week ago in preparation for this article, such as whether its Internet contribution system automatically matches donors' names and addresses to their credit card numbers, as is common industry practice with online stores.

Newsmax also asked if the campaign uses a similar security screen to match a donor's name and address to the card number when the donor uses a debit card or a gift card.

Despite multiple requests from Newsmax, the Obama campaign declined to comment for this story.

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## **Loudoun Republican Victim of Fundraising Fraud for Democrat**

Patricia Phillips, last year's Republican candidate for Virginia's 33<sup>rd</sup> State Senate district, was recently a victim of a credit card fraud collecting political contributions for Democrat Barack Obama's presidential campaign. Major media outlets, such as The Washington Post and Reuters News Agency, reported widespread instances of illegal or fraudulent campaign contributions being directed to the Obama campaign.

Mrs. Phillips' corporate credit card statement for September recorded a charge of \$5.00 to Obama For America, based in Illinois. According to published reports, the Republican National Committee has asked the Federal Election Commission to investigate reports of thousands of small contributions improperly collected for the Obama campaign. The charge to the Phillips Resources corporate account fits that fraud profile and has been reported to federal authorities.

### **Media References:**

<http://www.washingtonpost.com/wp-dyn/content/article/2008/10/05/AR2008100502288.html>

<http://www.reuters.com/article/politicsNews/idUSTRE4942Z720081005>

Copy of the credit card statement (less account number) available on request.

Patricia Phillips  
[REDACTED]

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## Northland Couple Warns of Political Credit Card Fraud

Last Edited: Tuesday, 07 Oct 2008, 10:23 PM CDT  
Created: Tuesday, 07 Oct 2008, 9:58 PM CDT

NORTH KANSAS CITY, MO. -- A North Kansas City couple has been left scratching their heads after they became the victims of a political scam.

Steve and Rachel Lerman say a strange credit card charge appeared on their statement this month -- a \$200 donation to Barack Obama's presidential campaign. The couple says they don't want this to be about their political affiliation, but they say they're not about to give the Obama campaign any help from their pocketbook.

They said they recalled seeing their credit card bank, in rapid succession.

"(They) said that they had seen they were familiar with that," said Steve Lerman. "It was fraud, they broke through telemarketing but they were going to be doing some more investigations."

The Lermans don't want their politics to enter into what is essentially just a fraudulent charge. But they say that the charge involves the Obama campaign adds insult to injury for the registered Republicans.

"They (Obama) kept on saying me 'as you said you wouldn't have gone to a site in support of Obama,'" said Rachel Lerman. "And I repeatedly said 'I'm voting for McCain - I would not be going to an Obama site.'"

Chase dropped the charge from the Lerman's card. The couple is thankful they caught the charge on the card, but worried that others may not see that type of fraud on their own credit cards before it's too late.

"You always get emails saying so on the Internet," said Rachel. "So I just wanted to get the word out that there's someone out there perpetrating this against people, and to pay attention."

The Obama campaign said they were aware of the Lerman's story, but did not have any comment.

Megan Cishery, FOX 4 News

## FOX 4

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